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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**NOTICE OF RECLAMATION DEMAND MADE BY MJ HOLDING COMPANY, LLC**

**PLEASE TAKE NOTICE** that *MJ Holding Company, LLC* (“MJH”), by its undersigned counsel, on November 1, 2018 served a demand for reclamation (the “Reclamation Demand”) upon Sears Holdings Corporation and its affiliated debtors (together the “Debtors”) to reclaim certain goods (the “Goods”) pursuant to 11 U.S.C. §546(c) and section 2-702 of the Uniform Commercial Code. A copy of the Reclamation Demand (without Exhibit 1) is attached hereto as **Exhibit A.**

**PLEASE TAKE FURTHER NOTICE** that pursuant to the Reclamation Demand, MJH demanded that the Debtors immediately surrender the Goods to MJH. Pending the prompt return of the Goods, MJH demanded that the Debtors (i) protect and segregate the Goods; and (ii) refrain from selling, using or disposing of the Goods pursuant to 11 U.S.C. §§361 and 363(c).

**PLEASE TAKE FURTHER NOTICE** that MJH reserves all of its rights with respect to the Goods, including without limitation, (i) its right to be paid in the ordinary course of business as a post-petition creditor of the Debtors to the extent that the Goods were delivered to

the Debtors on or after the Petition Date; (ii) its right to assert a 20-day administrative priority claim pursuant to 11 U.S.C. §503(b)(9); (iii) its right to assert a “new value” defense to any preference demand pursuant to 11 U.S.C. §547(c)(4); (iv) its right to demand payment of any portion of these invoices as a “cure” payment in connection with the Debtors’ assumption of an executory contract between MJH and the Debtors, if any, pursuant to 11 U.S.C. §365; (v) its right to seek payment of its pre-petition invoices from any non-debtor parties that are co-obligors; (vi) its right to amend or supplement the Reclamation Demand (including filing additional evidence in support thereof) or to file additional demands or claims, including without limitation, a proof of claim in the Debtors’ chapter 11 cases and all other claims at law or in equity; and (vii) its right to assert any other rights under applicable law. In addition to the foregoing, MJH reserves all rights with respect to the Goods to seek reclamation or return of the Goods at any time as property of MJH (and not property of the Debtors’ bankruptcy estates) due to MJH’s perfected security interest in the Goods as consigned inventory (and to seek return of any other MJH’s consigned goods in the Debtors’ possession).

**PLEASE TAKE FURTHER NOTICE** that the filing of this Notice is not intended to constitute an election of remedies or to waive any of MJH’s rights under the Bankruptcy Code or any applicable non-bankruptcy law. By filing this Notice of Demand for Reclamation, MJH does not consent to the entry of final orders by the bankruptcy court on non-core issues and claims, and does not waive any jurisdictional defenses.

Dated: November 1, 2018

Chuhak & Tecson, P.C.

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